



Valley High Ventures Ltd.

(An Exploration Stage Company)

Financial Statements

January 31, 2009

(Expressed in Canadian dollars, except where indicated)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Valley High Ventures Ltd.

Consolidated Balance Sheets

As at January 31, 2009 and 2008

(Unaudited)

(Expressed in Canadian dollars, except where indicated)

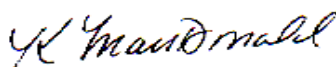
	January 31, 2009	October 31, 2008
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	488,697	27,665
Accounts receivable and prepaid expenses	197,531	203,588
	<u>686,228</u>	<u>231,253</u>
Bonds and reclamation deposits	8,000	8,000
Mineral property interests (note 4)	2,352,398	2,308,436
Property, plant and equipment (note 5)	11,522	14,559
	<u>3,058,148</u>	<u>2,562,248</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	90,780	105,065
Due to related parties (note 9)	25,696	15,333
	<u>116,476</u>	<u>120,398</u>
Shareholders' Equity		
Common shares (note 6)	8,283,748	7,867,439
Contributed surplus (note 6)	586,178	398,107
Deficit	(5,928,254)	(5,823,696)
	<u>2,941,672</u>	<u>2,441,850</u>
	<u>3,058,148</u>	<u>2,562,248</u>

Going Concern (note 1)

Commitments (note 3)

Subsequent events (note 12)

Approved by the Board of Directors



“Kathrine MacDonald”
Director



“Ray Strafehl”
Director

The accompanying notes form an integral part of these financial statements.

Valley High Ventures Ltd.

Consolidated Statements of Loss, Comprehensive Loss and Deficit For the three months ended January 31, 2009 and 2008

(Unaudited)

(Expressed in Canadian dollars, except where indicated)

Expenditures	January 31 2009 \$	January 31 2008 \$
Exploration Expenditures		
Administration	21,593	531
Consulting, labour & professional fees	84,927	2,675
Drilling and trenching	-	-
Property investigations	-	1,050
Property acquisition costs	36,398	-
Travel and accommodation	1,768	-
Costs capitalized	<u>(43,962)</u>	<u>(4,256)</u>
Net exploration expenses	100,724	-
Write-down of mineral properties	-	<u>1,623</u>
Expensed exploration costs	100,724	1,623
Other Expenses (Income)		
Consulting, labour & professional fees	46,215	27,000
Depreciation and amortization	3,038	-
Interest expense (income), net	(264)	22,186
Gain on settlement of debt (note 10)	-	-
Other costs	19,412	(10,023)
Regulatory and compliance costs	4,049	747
Stock-based compensation	83,865	-
Travel and promotion	<u>19</u>	<u>3,237</u>
	156,334	43,147
Loss before income taxes	257,058	44,770
Future income tax recovery (note 6)	(152,500)	-
Loss and comprehensive loss	<u>104,558</u>	<u>44,770</u>
Deficit – beginning of period	(5,823,696)	(3,882,573)
Deficit – end of period	<u>(5,928,254)</u>	<u>(3,927,343)</u>
Basic and diluted loss per share	(0.00)	(0.00)
Weighted average shares outstanding	28,438,261	14,175,868

The accompanying notes form an integral part of these financial statements.

Valley High Ventures Ltd.

Consolidated Statements of Cash Flows

For the three months ended January 31, 2009 and 2008

(Unaudited)

(Expressed in Canadian dollars, except where indicated)

	January 31 2009	January 31 2008
	\$	\$
Cash flows from operating activities		
Net loss for the period	(104,558)	(44,770)
Items not affecting cash		
Depreciation	3,038	-
Future income tax recovery	(152,500)	-
Stock based compensation	83,865	-
Related party transactions	10,364	22,206
Other	-	-
	<u>(159,791)</u>	<u>(22,564)</u>
Change in non-cash operating working capital		
Increase in accounts receivable and prepaid expenses	6,057	501
Increase (decrease) in accounts payable & accrued liabilities	<u>(14,285)</u>	<u>(482)</u>
	<u>(168,019)</u>	<u>(22,545)</u>
Cash flows from financing activities		
Issuance of common shares and warrants (net of issue costs)	673,014	-
Related party loan payable	<u>-</u>	<u>25,364</u>
	<u>673,014</u>	<u>25,364</u>
Cash flows from investing activities		
Deferred mineral property expenditures	(43,963)	(4,256)
Payments to acquire capital assets	<u>-</u>	<u>-</u>
	<u>(43,963)</u>	<u>(4,256)</u>
Increase (decrease) in cash and cash equivalents	461,032	(1,437)
Cash and cash equivalents - Beginning of period	<u>27,665</u>	<u>9,441</u>
Cash and cash equivalents - End of period	<u>488,697</u>	<u>8,004</u>

The accompanying notes form an integral part of these financial statements.

Valley High Ventures Ltd.

Notes to the Consolidated Financial Statements

For the three months ended January 31, 2009 and 2008

(Unaudited)

(Expressed in Canadian dollars, except where indicated)

1 Going concern

Valley High Ventures Ltd. (the “Company” or “Valley High”) is pursuing opportunities related to the exploration of mineral resource properties principally in British Columbia, Canada and in Mexico. The Company was incorporated in the Province of British Columbia on August 11, 1980.

These statements have been prepared using generally accepted accounting principles applicable to a going concern, which assumes the company will be able to realize its assets and settle its liabilities in the normal course of business as they become due. At January 31, 2009, the Company had cash and cash equivalents of \$488,697, working capital of \$569,752 and a deficit of \$5,928,254. A significant portion of the cash and cash equivalents was raised through flow through financing and therefore is restricted to exploration activities in Canada. Because of these conditions there is significant doubt about the validity of that assumption.

The Company’s ability to continue as a going concern is dependent on management’s ability to secure additional financing. Management is actively pursuing such additional sources of financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future (note 6).

These financial statements do not include the adjustments to the carrying value of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2 Basis of presentation

These interim financial statements have been prepared in accordance with Canadian Generally Accepted Principles (“GAAP”) on a basis consistent with the annual financial statements of the Company. Disclosure requirements for interim financial statements do not contain all the information that is required of annual financial statements. Accordingly, they should be read in conjunction with the October 31, 2008 audited financial statements.

Principles of consolidation

The consolidated financial statements include the assets, liabilities and results of all entities controlled by the Company. The effects of transactions between entities in the consolidated group are eliminated. Where control of an entity is obtained during a financial year, its results are included in the consolidated statements of loss and deficit from the date on which control commences. Where control of an entity ceases during a financial year, its results are included for that part of the year during which control exists.

Estimates, risks and uncertainties

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the amounts reported, and disclosed in the financial statements and the accompanying notes. Actual results could differ from those estimates.

Valley High Ventures Ltd.

Notes to the Consolidated Financial Statements

For the three months ended January 31, 2009 and 2008

(Unaudited)

(Expressed in Canadian dollars, except where indicated)

2 Basis of presentation (continued)

Realization of the Company's assets and liabilities is subject to risks and uncertainties, including reserve and resource estimation, future copper and other base and precious metal prices, estimated costs of future production, changes in government legislation and regulations, estimated future income taxes, and the availability of financing and various operational factors.

Title to mineral properties includes certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

Currency

All references to dollars (\$) are to Canadian dollars unless otherwise noted. US\$ refers to United States dollars.

3 Exploration expenditures

All exploration costs are currently being deferred in respect of the Company's Mount Polley properties (note 4).

Cordero-Sanson, Mexico:

The Cordero-Sanson property comprises two claim groups. The Cordero claim group is an option on an early stage polymetallic porphyry related property located 45km northeast of Parral, in the southern part of Chihuahua State. The Company has the option to acquire a 100% interest in the Cordero claim group for total option payments of US\$3,200,000. Production from the properties is subject to a net smelter return royalty of between 1% and 2%. The neighbouring Sanson claim group includes an 8,200 hectare claim to cover potential extensions to the Cordero claim group. The Company owns 100% of the Sanson claim group.

In October 2008, due to the economic uncertainty, declining commodity prices and a lack of a formal plan to recover the acquisition costs, the Company recorded a permanent impairment in the carrying value of the Cordero-Sanson property.

The Company acquired its Mexican subsidiary including the Cordero-Sanson property on September 26, 2008, through the issuance of, 8,140,353 common shares to Coro Mining Corp. ("Coro"). Subsequent to period end, the Company optioned and joint venture agreement with Levon Resources Ltd. ("Levon"). (Note 12).

Summary of property option acquisition payments – January 31, 2008^{1,2}

Fiscal Year	Cordero US\$
Oct 2009	US\$100,000
Oct 2010	100,000
Oct 2011	300,000
Oct 2012	600,000
Oct 2013	2,100,000
	US\$3,200,000

¹ Excludes any non-cash option payments such as share issuances.

² The options terms were revised on January 30, 2009.

Valley High Ventures Ltd.

Notes to the Consolidated Financial Statements

For the three months ended January 31, 2009 and 2008

(Unaudited)

(Expressed in Canadian dollars, except where indicated)

4 Mineral property interests

	October 31, 2008	Additional Expenditures	January 31, 2009
	\$	\$	\$
Mount Polley Properties, British Columbia, Canada			
Administration	\$20,920	\$-	20,920
Consulting, labour and professional fees	270,379	40,400	310,779
Drilling and trenching	680,680	-	680,680
Property investigations	484,307	-	484,307
Property acquisition costs	801,526	3,562	805,088
Travel and accommodation	50,624	-	50,624
Total	\$2,308,436	\$43,962	\$2,352,398

Mount Polley Properties, British Columbia, Canada

The Mount Polley properties in British Columbia are made up of a number of claims blocks, which include the Lloyd, Nordik/Buc, Calm, October/Dome and Morehead claim blocks. The properties comprise approximately 10,000 hectares and are located adjacent to the Imperial Metals' producing Mount Polley open-pit copper gold mine, which is 100 km northeast of Williams Lake, British Columbia.

Lloyd Claims - The Company acquired a 90% interest in a portion of Lloyd claims in consideration for the issuance of 1,020,000 common shares valued at \$234,600. The Company acquired a 100% interest in the remaining claims, subject to a 1.5% Net Smelter Return ("NSR") by issuing 180,000 common shares (valued at \$41,400). The Lloyd claims include the boundary zone.

Nordik/Buc Claims - The Company acquired a 100% interest in the Nordik mineral claims in consideration for the issuance of 666,666 common shares valued at \$153,333. The vendors retained a 2% NSR on the claims, which can be purchased for \$500,000 for each one-half percent. The Company acquired a 100% interest subject to a 2% NSR, in the Buc claims for the issuance of 25,000 shares (valued at \$13,250) and a cash payment of \$10,000. The Nordik/Buc claims border the Mount Polley Mine property on the east side and extended to the opposite side of Polley Lake.

Calm Claims - The Company acquired a 100% interest in the Calm mineral claims in consideration for the issuance of 333,333 common shares (valued at \$76,667) and a cash payment of \$25,000. The vendors retained a 2% NSR on the claims, which can be purchased for \$500,000 for each one-half percent. The Calm claims are located several kilometers west of the Mount Polley Mine and south of Morehead Lake.

October/Dome Claims - The Company acquired a 100% interest in certain mineral claims (collectively the "October/Dome Claims") in consideration for the issuance of 733,334 common shares valued at \$168,666. The vendors retained a 2% NSR on the claims, which can be purchased for \$500,000 for each one-half percent. These claims are located north of the Lloyd claims.

Valley High Ventures Ltd.

Notes to the Consolidated Financial Statements

For the three months ended January 31, 2009 and 2008

(Unaudited)

(Expressed in Canadian dollars, except where indicated)

4 Mineral property interests (continued)

On March 10, 2006, the Company has acquired the right to earn a 100% interest, subject to a 1.5% NSR, in an additional claim block (the "Dome" Claims) adjacent to the existing claims for a cash payment of \$10,000 (paid) and the issuance of 270,000 shares over a four year period (130,000 issued valued at \$60,400). Subsequent to period end, a further 60,000 shares were issued.

On June 13, 2008, the Company acquired the Morehead claim block for \$8,000.

Cordero-Sanson Property, Mexico

In October 2008, the Company recorded an impairment on its Cordero-Sanson property (note 3).

5 Property, plant and equipment

	January 31, 2009			October 31, 2008		
	Cost	Accumulated amortization	Net \$	Cost	Accumulated amortization	Net \$
Vehicles and equipment	15,685	(4,163)	11,522	\$15,685	\$(1,126)	\$14,559
Total	15,685	(4,163)	11,522	\$15,685	\$(1,126)	\$14,559

Valley High Ventures Ltd.

Notes to the Consolidated Financial Statements

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(Unaudited)

(Expressed in Canadian dollars, except where indicated)

6 Common shares and contributed surplus

The Company has an unlimited amount of authorized common shares without par value.

	Number of shares	Common Shares \$	Contributed Surplus \$
Opening balance - November 1, 2007	14,175,868	4,992,301	275,640
Share issuances			
Cash	1,000,000	238,718	-
Non-cash	10,523,686	2,636,420	-
Compensation expense	-	-	122,467
Closing balance - October 31, 2008	25,699,554	7,867,439	398,107
Share issuances			
Cash	4,250,000	624,115	
Non-cash	61,000	9,558	
Warrant issuances			
Cash			100,884
Non-cash			3,322
Share issuance costs			
Cash		(51,984)	
Non-cash		(12,880)	
Compensation expense			83,865
Future income tax recovery		(152,500)	
Closing Balance – January 31, 2009	30,010,554	8,283,748	586,178

Share issuances

In September 2008, the Company issued 8,140,353 common shares at a deemed price of \$0.25 per share for the Mexican Properties (note 4), \$700,000 of existing debt by the issuance of common shares of the Company at a deemed price of \$0.30 per share for a total of 2,333,333 shares (note 3), 50,000 for property option payments associated with Mount Polley (note 4) and 1,000,000 common shares at a deemed price of \$0.25 per share for a private placement with Coro. After completion of the transaction, Coro owned 9,140,353 shares of the Company or 35.6% of the outstanding common shares of Valley High.

In November 2008, the Company closed a non-brokered private placement of 2,000,000 flow-through shares at a price of \$0.25, for a gross proceeds of \$500,000. In connection with the offering the company paid a finder's fee of \$25,000 cash and issued 40,000 non-flow-through units, with each unit comprised of one common share and one transferable warrant. Each warrant will entitle the holder to purchase one common share for a period of two years from the closing of the private placement at a price of \$0.35 per warrant.

Valley High Ventures Ltd.

Notes to the Consolidated Financial Statements

For the three months ended January 31, 2009 and 2008

(Unaudited)

(Expressed in Canadian dollars, except where indicated)

6 Common shares and contributed surplus (continued)

The aforementioned flow-through shares are required to be spent on certain Qualifying Canadian Exploration Expenditures. Because the Company no longer has the ability to use the expenditures for tax purposes, the Company is required to record a future tax liability which is equal to the renunciation, times the corporation tax rate when expenditures are renounced (January 2009). This amounted to \$152,500. However, the Company can utilize previously unrecognized future income tax assets to offset the liability, the Company applied \$152,500 in future income tax assets to this liability, this amount is recognized in the statement of loss and deficit as a future income tax recovery.

In December 2008, the Company closed a non-brokered private placement of 2,250,000 units at a price of \$0.10 per Unit for gross proceeds of \$225,000. Each Unit is comprised of one common share and one transferable warrant. Each Warrant entitles the holder to purchase one common share for a period of two years from the closing of the Private Placement at a price of \$0.25 per warrant. In connection with the Private Placement, the Company paid to a finders fee of \$10,500 in cash and issued 21,000 units at a deemed price of \$0.10 per Finder's Unit. Each Finder Unit consists of one common share and one non-transferable warrant. Each Finder's Warrant entitles the holder to purchase one common share of the Company for a period of two years from the closing of the Private Placement at a price of \$0.25 per share.

Capital disclosure

The Company considers its common shares and options as capital. As the Company is in the exploration stage its principal source of funds is from the issuance of common shares. It is the Company's objective to safeguard its ability to continue as a going concern, so that it can continue to explore and develop its projects for the benefit of its stakeholders.

7 Share stock options

The Company has a stock option plan that permits the Company to grant this incentive to directors, officers, key employees and consultants of the Company. Terms and pricing of options are determined in accordance with plan.

A total of 10% of the issued and outstanding common shares of the Company may be allotted and reserved for issuance under the stock option plan.

	Number of shares	Weighted average exercise price \$
Outstanding - November 1, 2008	2,499,000	0.30
Granted	-	
Forfeited	(12,000)	0.30
Exercised	-	
Outstanding – January 31, 2009	2,487,000	0.30

Valley High Ventures Ltd.

Notes to the Consolidated Financial Statements

For the three months ended January 31, 2009 and 2008

(Unaudited)

(Expressed in Canadian dollars, except where indicated)

7 Share stock options (continued)

At January 31, 2008, the following stock options were outstanding.

	Number of Options Outstanding	Exercise price \$	Expiry Date
Total	2,487,000	0.30	2013

Stock options vest over a three year period. At January 31, 2009, no stock options were vested and exercisable.

Option pricing models require the input of highly subjective assumptions including the expected volatility. Changes in the assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options. The following assumptions were used in the Black-Scholes option pricing model to calculate the compensation expense:

Risk-free interest rate	2.7% to 3.3%
Options expected life	3.5 to 4.5 years
Expected volatility	90%
Expected dividend	0%

For the three months January 31, 2009, total stock-based compensation expense was \$83,865 (2008:nil).

8 Warrants

	2009	
	Number of shares (000's)	Weighted average exercise price CA\$
Outstanding - November 1, 2008	-	-
Granted	2,311	\$0.25
Expired	-	-
Outstanding - January 31, 2009	2,311	\$0.25

At January 31, 2009, the following warrants were outstanding:

	Number of Shares Outstanding (000's)	Exercise price CA\$	Expiry Date
Total	2,311	\$0.25	2010

In November 2008 (note 7), 40,000 transferable warrants were issued to purchase one common share for a period of two years from the closing of the private placement at a price of \$0.35.

Valley High Ventures Ltd.

Notes to the Consolidated Financial Statements

For the three months ended January 31, 2009 and 2008

(Unaudited)

(Expressed in Canadian dollars, except where indicated)

8 Warrants (continued)

In December 2008 (note 7) 2,250,000 transferable warrants were issued to purchase one common share for a period of two years from the closing of the Private Placement at a price of \$0.25. An additional, 21,000 non-transferable warrant were issued to purchase one common share of the Company for a period of two years from the closing of the Private Placement at a price of \$0.25.

9 Due to related parties

	January 31, 2009 \$	October 31, 2008 \$
Total	\$25,696	\$15,333

For the three months on January 31, 2009 and 2008, the Company entered into the following transactions with related parties:

a) Management fees of \$nil (2008 - \$22,500), interest expense of \$nil (2008 - \$22,906), and rent and office expense of \$nil (2008 - \$7,500) were charged by a company controlled by a director.

Effective January 31, 2009, as a result of the agreement with Coro, the management group of the Company changed, and the management fees, rent and other expenses were discontinued. During the three months ended January 31, 2009 rent and administrative charges of \$10,364 were charged by Coro.

10 Geographic segmented information

The following table illustrates the geographic location of the Company's assets.

	Canada \$	Mexico \$	Total \$
2009			
Capital assets	2,356,421	7,499	2,363,920
Total assets	2,886,609	171,539	3,058,148
2008			
Capital assets	\$2,308,436	\$14,559	\$2,322,955
Total assets	2,378,299	183,949	2,562,248

Valley High Ventures Ltd.

Notes to the Consolidated Financial Statements

For the three months ended January 31, 2009 and 2008

(Unaudited)

(Expressed in Canadian dollars, except where indicated)

11 Financial instruments

Fair Values

As at January 31, 2009, the Company's carrying values of cash and cash equivalents, accounts receivable, and accounts payable are designated as loans and receivables and approximate their fair values due to their short term to maturity.

The Company has no financial assets or liabilities classified as held for trading or available-for-sale.

Credit Risk

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and accounts receivable and prepaids. The Company deposits cash and cash equivalents with high credit quality financial institutions as determined by rating agencies.

Currency Risk

As at January 31, 2009 the Company incurs expenses in Canadian dollars, Mexican Pesos and U.S dollars and therefore it has some exposure to U.S. dollars and Mexican Pesos as it raises all of its equity in Canadian dollars. The Company has its options payments due for the Cordero-Sanson property denominated in US dollars. The impact of a movement in the US dollar is not material except in relation to the property option payments.

Interest Rate Risk

The Company has no significant interest costs (income) and therefore has no significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities. The Company is reliant upon equity issuances as its sole source of cash. The Company manages liquidity risk by maintaining an adequate level of cash and cash equivalents to meet its ongoing obligations. The Company continuously reviews its actual expenditures and forecast cash flows and matches the maturity dates of its cash equivalents to capital and operating needs. The Company has been successful in raising equity financing in the past; however, there is no assurance that it will be able to do so in the future (note 1).

12 Subsequent Event

February 12, 2009, the Company announced that it has entered into an option and joint venture agreement with Levon Resources Ltd. whereby Levon may earn a 51% interest in Valley High's Cordero silver, gold, lead, zinc project, Chihuahua, Mexico by spending \$1,250,000 by the end of February 2013 with a first year work commitment of \$250,000. In addition Levon will provide an initial \$20,000 payment and will pay 50% of the underlying option payments due on certain portions of the property. Valley High will be the operator until Levon earns 51%, however Levon will provide technical input and geologic services to complete data synthesis and integration, targeting and drill testing.

A finders fee of \$20,000 is payable with respect to this transaction.